



Dean K. Matsuura
Manager
Regulatory Affairs

August 13, 2009

PUBLIC UTILITIES
COMMISSION

2009 AUG 13 P 4:20

FILED

The Honorable Chairman and Members of
the Hawaii Public Utilities Commission
Kekuanaoa Building, 1st Floor
465 South King Street
Honolulu, Hawaii 96813

Dear Commissioners:

Subject: Docket No. 2008-0274 – Decoupling Proceeding
Hawaiian Electric Companies' Revised Response to PUC-IR-52

The Hawaiian Electric Companies¹ filed their responses to PUC-IR-50 through PUC-IR-55 on August 7, 2009, and a *Motion to Seal* on August 12, 2009 which seeks Commission approval to treat Attachment 8 of the Companies' response to PUC-IR-52 on a confidential basis.

After the Companies filed their response to PUC-IR-52 on August 7, 2009, they discovered that Attachment 3 of the response, which calculated the proposed National Regulatory Research Institute ("NRRI") rate base revenue adjustment mechanisms ("RAMs") for system reliability and customer additions, contained the following formulaic discrepancies:

- 1) Hawaiian Electric's accumulated deferred income taxes ("ADIT") were entered into the spreadsheet incorrectly (negative amounts were inputted as positive dollars and vice versa); and
- 2) Column F (Revenue Requirement for Expense) of the spreadsheet contained an erroneous formula that added rather than subtracted CIAC amortization amounts.

In addition to these corrections, the Companies also changed the use of a full year convention for the proposed NRRI RAMs (originally used in the response filed on August 7,

¹ The "Hawaiian Electric Companies" or "Companies" are Hawaiian Electric Company, Inc. ("Hawaiian Electric"), Hawaii Electric Light Company, Inc. ("HELCO") and Maui Electric Company, Limited ("MECO").

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2009) to a half year convention as the latter treatment is more aligned with NRRI's intention to have its proposed RAMs be adjusted on a quarterly basis.

Because of the above, attached are the Companies' revised response and revised Attachments 1, 3, and 8 to PUC-IR-52.

The Companies sincerely apologize for the inconvenience to the Commission and the other parties caused by these corrections and the change in the NRRI RAMs assumption.

Very truly yours,



Dean K. Matsuura
Manager, Regulatory Affairs

Enclosure

cc: Division of Consumer Advocacy
Hawaii Renewable Energy Alliance
Haiku Design and Analysis
Hawaii Holdings, LLC, dba First Wind Hawaii
Department of Business, Economic Development, and Tourism
Hawaii Solar Energy Association
Blue Planet Foundation



f. The subpart's revenue adjustments are also shown on Attachment 1, row 56. The resulting ROEs for the case with "RPC with reset" are shown on Attachment 1, row 88, and the case without "RPC with reset" are shown on Attachment 1, row 128.

Attachment 8 of this response (confidential)⁶ is a summary of the ROE calculations comparing the HECO Companies and the Consumer Advocate's jointly proposed sales decoupling, rate base and O&M RAMs, with the NRRI's proposed sales decoupling/RPC adjustments, and modified RAMs included in subparts a to f of this IR. Please see notes 1 and 2 of Attachment 8 for additional discussion on the ROE results. As Attachment 8 includes ROE forecasts for the HECO Companies for the years 2009 through 2013 constitute financial information for future years which is nonpublic information that should not be disclosed, as such disclosure would likely trigger requirements under the rules and guidelines of the Securities and Exchange Commission ("SEC") and/or the New York Stock Exchange ("NYSE") requiring that information that would be meaningful to investors be released to all investors, if the information is disclosed beyond a limited number of "insiders" (including persons required by agreement to maintain the confidentiality of the information and to use it only for proper purposes), it is being filed under the Protective Order issued on January 6, 2009 in this proceeding.⁷ If the confidential portions of Attachment 8 are not filed under the Protective Order in this proceeding, the disclosure of nonpublic financial information might trigger disclosure requirements under the rules and regulations of the Securities and Exchange Commission and/or the New York Stock Exchange.

⁶ In the original Attachment 8 (filed August 8, 2009), HECO's ROEs for 2009-2013 on line 52f were reversed (i.e., ROEs for RPC with reset were inputted as without RPC with reset, and vice versa).

⁷ The issue date of the Protective Order is stated incorrectly on page 2 of this response as January 9, 2009.

After the original response to PUC-IR-52 was filed on August 7, 2009, the Companies discovered that Attachment 3 of the response, which calculates the proposed NRRI rate base RAMs for system reliability and customer addition, contains the following formulaic discrepancies:

- 1) Hawaiian Electric's accumulated deferred income taxes ("ADIT") were entered into the spreadsheet incorrectly. Negative dollars were inputted as positive dollars and vice versa. MECO and HELCO were inputted correctly.
- 2) Revenue Requirement for Expense (column F in the Hawaiian Electric, HELCO and MECO worksheets) in the August 7, 2009 filing was calculated incorrectly. In order to arrive at revenue requirement for expense, amortization of contributions in aid to construction ("CIAC"), which is expressed in Attachment 3 as a bracketed number in column C2, should be added to, not subtracted from, depreciation expense as CIAC amortization reduces, not increases, depreciation expense. This sum is then divided by a net revenue conversion factor.

With the corrections to Attachment 3, Attachments 1 and 8 also need to be revised.

Attachment 1 of the response to PUC-IR-52 was revised for the following:

- 1) Corrections to the system reliability and customer addition rate base RAMs resulting from corrections to Attachment 3 to PUC-IR-52.
- 2) In the Companies' original PUC-IR-52 filing on August 7, 2009, item number 4 on page 4 stated "As the use of quarterly calculations would make this overly complex, the HECO Companies also made a simplifying assumption that the proposed RAMs would be estimated and recovered in the same year, i.e., the same assumption used by the Companies in their response to PUC-IR-14. Thus,

putting the comparison of this response to the Companies' response to PUC-IR-14 on an apples-to-apples basis." In making this simplifying assumption, the Companies assumed that the NRRI proposed RAMs as calculated in Attachment 3 would be applicable for the entire year. This tends to overstate the results as inherent in this assumption is that all capital projects are in service at the beginning of the year.

In the August 13, 2009 revised response, the Companies changed this assumption to a half year convention to (a) account for projects which might be in service in the second half of the year, (b) more closely approximate the quarterly mechanism as requested in this information request. In changing to this half year convention, the assumptions used are as follows:

1. Only one-half of the first year's (e.g. 2004) rate base RAM is used for the first year.
2. For the second year, the entire first year RAM and one-half of the second year's RAM are used.
3. This cumulative balance is then carried forward to the next year, with the remaining half of the last year and one-half of the next year's RAM added.
4. This process continues until a rate case year. In a rate case year, that year's RAM is allocated based on the number of months the RAM is in effect. For historical years, the date of the interim decision and order is used. For future years, unless otherwise stated, an assumed July 1 interim decision and order date is used.

Because of the changes made in Attachments 1 and 3, Attachment 8, which provides a summary of the ROEs, also changed. The corrected Attachment 3, and revised Attachments 1

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and 8 are enclosed with this revised filing. All changes from the August 7, 2009 filing are also highlighted and the fonts are in bold face.

**Confidential Information Deleted
Pursuant To Protective Order, Filed on
January 6, 2009.**

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Attachment 1 contains confidential information and is provided subject to
the Protective Order filed on January 6, 2009 in this proceeding.

SUMMARY OF RATE BASE RAMS

<u>Hawaiian Electric</u>	<u>HELCO</u>	<u>MECO</u>
System Reliability		
2004	\$18,054	\$16,988
2005	\$14,099	\$10,309
2006	\$17,606	\$4,580
2007	\$14,376	\$3,748
2008	\$11,966	\$3,706
2009	\$39,262	\$18,089
2010	\$29,585	\$11,733
2011	\$16,400	\$6,087
2012	\$29,407	\$3,307
2013	\$21,042	\$5,734
Customer Additions		
2004	\$3,723	\$968
2005	\$3,131	\$1,993
2006	\$1,858	\$3,112
2007	\$2,501	\$2,638
2008	\$1,823	\$2,639
2009	\$1,507	\$2,921
2010	\$5,439	\$2,842
2011	\$4,706	\$2,449
2012	\$5,421	\$2,200
2013	\$5,892	\$2,072
Renewables, Subject to Surcharge		
2004	\$0	\$0
2005	\$0	\$0
2006	\$0	\$0
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$53	\$0
2011	\$1,740	\$0
2012	\$2,234	\$0
2013	\$2,263	\$0
Renewables, Not Surchargeable		
2004	\$0	\$56
2005	\$0	\$429
2006	\$0	\$32
2007	\$53	(\$0)
2008	\$43	\$0
2009	\$297	\$0
2010	\$52	\$4
2011	\$14	\$5
2012	\$15	\$5
2013	\$15	\$5
Others		
2004	\$2,040	\$3,139
2005	\$2,843	\$1,813
2006	\$2,816	\$1,619
2007	\$2,480	\$967
2008	\$1,970	\$735
2009	\$2,363	\$1,336
2010	\$1,613	\$1,125
2011	\$1,425	\$1,142
2012	\$1,903	\$911
2013	\$8,034	\$786
		\$326

INPUTS (\$'000)		B. Depreciation Accruals (for prior year plant adds)		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		CALCULATION/ RESULT'S (\$'000)		E. Rev Req for Rate Base (A-B-C1-C2-D)* RORB * Rev Conv		F. Rev Req for Expense (B+C2) / Net Rev Conv		G. Rate Base RAM G = E + F			
System Reliability	A. Plant Additions	\$ 41,160	\$ 1,516	\$ 7,253	\$ 691	\$ 510	\$ (749)	\$ 16,392	\$ 11,006	\$ 14,940	\$ 2,667	\$ 1,663	\$ 3,093	\$ 2,667	\$ 18,054		
2003	\$ 108,378	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 3,7229	\$ 2,033	\$ 39,252	\$ 11,966	\$ 17,606		
2004	\$ 70,394	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 14,376	\$ 14,376		
2005	\$ 98,369	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 16,403	\$ 16,403		
2006	\$ 67,358	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2007	\$ 67,385	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2008	\$ 254,184	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2009	\$ 164,185	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2010	\$ 76,183	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2011	\$ 182,743	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2012	\$ 119,717	\$ 2,820	\$ 2,432	\$ 4,018	\$ 2,104	\$ 1,854	\$ 5,011	\$ 13,035	\$ 3,510	\$ 2,009	\$ 24,090	\$ 5,494	\$ 29,595	\$ 21,042	\$ 21,042		
2013	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.		
	² Includes both ADIT and ADIT on CIAC.																
INPUTS (\$'000)		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		CALCULATION/ RESULT'S (\$'000)		E. Rev Req for Rate Base (A-B-C1-C2-D)* RORB * Rev Conv		F. Rev Req for Expense (B+C2) / Net Rev Conv		G. Rate Base RAM G = E + F	
Customer Additions	A. Plant Additions	\$ 19,756	\$ 807	\$ 7,794	\$ 19,449	\$ (115)	\$ (260)	\$ 245	\$ (6,627)	\$ (4,048)	\$ (4,709)	\$ 3,293	\$ 430	\$ 3,723	\$ 3,723		
2003	\$ 28,441	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 2,075	\$ 1,056	\$ 3,131	\$ 3,131		
2004	\$ 26,396	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 1,328	\$ 530	\$ 1,856	\$ 1,856		
2005	\$ 20,169	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 1,328	\$ 530	\$ 2,501	\$ 2,501		
2006	\$ 28,050	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 1,328	\$ 530	\$ 2,501	\$ 2,501		
2007	\$ 19,249	\$ 1,222	\$ 11,342	\$ 12,458	\$ 822	\$ 841	\$ 7,771	\$ 5,937	\$ (529)	\$ (654)	\$ (650)	\$ 1,243	\$ 579	\$ 1,823	\$ 1,823		
2008	\$ 19,500	\$ 1,222	\$ 11,342	\$ 12,458	\$ 822	\$ 841	\$ 7,771	\$ 5,937	\$ (529)	\$ (654)	\$ (650)	\$ 1,243	\$ 487	\$ 1,597	\$ 1,597		
2009	\$ 38,282	\$ 1,222	\$ 11,342	\$ 12,458	\$ 822	\$ 841	\$ 7,771	\$ 5,937	\$ (529)	\$ (654)	\$ (650)	\$ 1,243	\$ 486	\$ 5,439	\$ 5,439		
2010	\$ 26,987	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 1,328	\$ 530	\$ 4,706	\$ 4,706		
2011	\$ 37,080	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 1,328	\$ 530	\$ 5,421	\$ 5,421		
2012	\$ 37,359	\$ 1,222	\$ 1,132	\$ 15,860	\$ 20,821	\$ 863	\$ 863	\$ 2,134	\$ 1,243	\$ 1,020	\$ 1,020	\$ 1,328	\$ 530	\$ 5,892	\$ 5,892		
2013	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.	\$ 2,003 plant additions provided for the purpose of calculating depreciation accruals for 2004.		
	² Includes both ADIT and ADIT on CIAC.																
INPUTS (\$'000)		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		CALCULATION/ RESULT'S (\$'000)		E. Rev Req for Rate Base (A-B-C1-C2-D)* RORB * Rev Conv		F. Rev Req for Expense (B+C2) / Net Rev Conv		G. Rate Base RAM G = E + F	
REIP (w/ surcharge)	A. Plant Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2003	\$ 2004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2004	\$ 2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2005	\$ 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2006	\$ 2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2007	\$ 2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2008	\$ 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2009	\$ 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2010	\$ 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2011	\$ 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2012	\$ 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	² Includes both ADIT and ADIT on CIAC.																

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INPUTS (\$'000)		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB		F. Rev. Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F			
Renewables		\$		\$		\$		\$		\$		Renewables		2004 \$ 0		2005 \$ 0		2006 \$ 0	
2003	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0		
2004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0		
2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0		
2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0		
2007	\$ 344	\$ 344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 2008 \$ 53	\$ -	\$ -	\$ -	\$ -	\$ 53	\$ 0	\$ 0	\$ 0		
2008	\$ 198	\$ 198	\$ 15	\$ 15	\$ -	\$ -	\$ -	\$ 9	\$ 2008 \$ 27	\$ -	\$ -	\$ -	\$ -	\$ 27	\$ 0	\$ 0	\$ 0		
2009	\$ 2,270	\$ 2,270	\$ 9	\$ 9	\$ -	\$ -	\$ -	\$ 412	\$ 2009 \$ 288	\$ -	\$ -	\$ -	\$ -	\$ 288	\$ 0	\$ 0	\$ 0		
2010	\$ 74	\$ 74	\$ 41	\$ 41	\$ -	\$ -	\$ -	\$ (15)	\$ 2010 \$ 7	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 0	\$ 0	\$ 0		
2011	\$ 75	\$ 75	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ (0)	\$ 2011 \$ 11	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 0	\$ 0	\$ 0		
2012	\$ 76	\$ 76	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ (0)	\$ 2012 \$ 11	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 0	\$ 0	\$ 0		
2013	\$ 76	\$ 76	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ (0)	\$ 2013 \$ 11	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 0	\$ 0	\$ 0		
¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.																			
² Includes both ADIT and ADIT on CIAC.																			
INPUTS (\$'000)		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB		F. Rev. Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F			
Others		\$		\$		\$		\$		\$		Others		2004 \$ 1,353		2005 \$ 1,380		2006 \$ 1,707	
2003	\$ 9,897	\$ 9,897	\$ 627	\$ 627	\$ 907	\$ 907	\$ 77	\$ (77)	\$ 1,011	\$ 1,011	\$ 1,011	\$ 1,011	\$ 1,011	\$ 849	\$ 849	\$ 864	\$ 1,109	\$ 934	\$ 934
2004	\$ 9,753	\$ 9,753	\$ 788	\$ 788	\$ (85)	\$ (85)	\$ 85	\$ (85)	\$ 961	\$ 961	\$ 1,061	\$ 1,061	\$ 1,061	\$ 1,121	\$ 1,121	\$ 1,179	\$ 1,179	\$ 1,179	\$ 1,179
2005	\$ 12,740	\$ 12,740	\$ 1,011	\$ 1,011	\$ (125)	\$ (125)	\$ 125	\$ (125)	\$ 114	\$ 114	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,121	\$ 1,121	\$ 1,179	\$ 1,179	\$ 1,179	\$ 1,179
2006	\$ 11,900	\$ 11,900	\$ 906	\$ 906	\$ 906	\$ 906	\$ 906	\$ 906	\$ 1,011	\$ 1,011	\$ 1,011	\$ 1,011	\$ 1,011	\$ 849	\$ 849	\$ 864	\$ 1,109	\$ 934	\$ 934
2007	\$ 10,332	\$ 10,332	\$ 774	\$ 774	\$ 774	\$ 774	\$ 774	\$ 774	\$ 961	\$ 961	\$ 1,061	\$ 1,061	\$ 1,061	\$ 849	\$ 849	\$ 864	\$ 1,109	\$ 934	\$ 934
2008	\$ 9,026	\$ 9,026	\$ 623	\$ 623	\$ 623	\$ 623	\$ 623	\$ 623	\$ 775	\$ 775	\$ 1,061	\$ 1,061	\$ 1,061	\$ 763	\$ 763	\$ 850	\$ 1,038	\$ 887	\$ 887
2009	\$ 12,379	\$ 12,379	\$ 5,637	\$ 5,637	\$ 5,637	\$ 5,637	\$ 5,637	\$ 5,637	\$ 775	\$ 775	\$ 1,061	\$ 1,061	\$ 1,061	\$ 763	\$ 763	\$ 850	\$ 1,038	\$ 887	\$ 887
2010	\$ 5,637	\$ 5,637	\$ 353	\$ 353	\$ 353	\$ 353	\$ 353	\$ 353	\$ 450	\$ 450	\$ 1,114	\$ 1,114	\$ 1,114	\$ 1,114	\$ 1,114	\$ 1,114	\$ 1,114	\$ 1,114	\$ 1,114
2011	\$ 7,178	\$ 7,178	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 450	\$ 450	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486
2012	\$ 9,853	\$ 9,853	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 450	\$ 450	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486
2013	\$ 49,572	\$ 49,572	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 450	\$ 450	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486	\$ 486
¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.																			
² Includes both ADIT and ADIT on CIAC.																			
OTHER INPUTS		Rate Base (RORB) ³		Revenue/Conversion Factor (Rev Conv) ⁴		Net Revenue Conversion Factor		Net Revenue Conversion Factor		Net Revenue Conversion Factor		Net Revenue Conversion Factor		Net Revenue Conversion Factor		Net Revenue Conversion Factor		Net Revenue Conversion Factor	
2004	9.16%	9.16%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2005	9.16%	9.16%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2006	8.66%	8.66%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2007	8.66%	8.66%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2008	8.62%	8.62%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2009	8.66%	8.66%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2010	8.45%	8.45%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2011	8.45%	8.45%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2012	8.45%	8.45%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	
2013	8.45%	8.45%	1.796502	1.796502	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	0.9119832	

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¹ RORBS from Final D&O 14412 dated 12/11/05 in Dkt. No. 776, Interim D&O 22050 dated 9/27/05 in Dkt. No. 2004-0113, Interim D&O 23749 dated 10/22/07 in Dkt. No. 2006-0386, Final D&O 24171 dated 5/1/08 in Dkt. No. 2004-0113, and Interim D&O dated 7/2/09 in Dkt. No. 2008-0083

* Refer to the Consumer Advocate's Testimony, Exhibit CA-101, Sch. A-1, line 8, in Dkt. No. 2008-0083

		INPUTS (\$'000)			C2. CIA/C Amortization (for prior year CIA/C rec'd)			D. ADIT ²			E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB*			F. Rev Req for Expense (B + C2) / Net Rev Conv			G. Rate Base RAM G = E + F		
System Reliability		A. Plant Additions	B. Depreciation Accruals (for prior year plant adds)	C1. CIA/C															
2003 ¹	\$ 15,614	\$ 604	\$ 862	\$ (3)	\$ 3,320		\$ 2004	\$ 16,329		\$ 659	\$ 5,213		\$ 2005	\$ 5,096		\$ 16,988		\$ 10,309	
2004	\$ 104,228	\$ 4,783	\$ 5	\$ (29)	\$ (1,190)		\$ 2005	\$ 5,096		\$ 1,611	\$ 4,380		\$ 2006	\$ 2,969		\$ 4,380		\$ 3,748	
2005	\$ 34,604	\$ 1,469	\$ 280	\$ (0)	\$ (329)		\$ 2006	\$ 2,969		\$ 2,869	\$ 880		\$ 2007	\$ 2,974		\$ 2,974		\$ 3,706	
2006	\$ 19,504	\$ 812	\$ -	\$ (9)	\$ (51)		\$ 2008	\$ 2,974		\$ 17,084	\$ 1,004		\$ 2009	\$ 6,047		\$ 1,004		\$ 18,089	
2007	\$ 18,222	\$ 668	\$ 364	\$ -	\$ (12)		\$ 2010	\$ 6,047		\$ 4,451	\$ 1,636		\$ 2011	\$ 4,451		\$ 1,636		\$ 6,087	
2008	\$ 22,438	\$ 928	\$ -	\$ -	\$ -		\$ 2012	\$ 2,086		\$ 2,086	\$ 1,221		\$ 2013	\$ 5,055		\$ 1,221		\$ 3,307	
2009	\$ 118,145	\$ 5,186	\$ -	\$ -	\$ -		\$ 2013	\$ 6,886		\$ 6,886	\$ 679							\$ 5,734	
2010	\$ 44,240	\$ 1,492	\$ -	\$ -	\$ -														
2011	\$ 31,153	\$ 1,113	\$ -	\$ -	\$ -														
2012	\$ 14,846	\$ 619	\$ -	\$ -	\$ -														
2013	\$ 34,739	\$ -	\$ -	\$ -	\$ -														
¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.																			
² Includes both ADIT and ADIT on CIA/C.																			
		INPUTS (\$'000)			C2. CIA/C Amortization (for prior year CIA/C rec'd)			D. ADIT ²			E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB*			F. Rev Req for Expense (B + C2) / Net Rev Conv			G. Rate Base RAM		
Customer Additions		A. Plant Additions	B. Depreciation Accruals (for prior year plant adds)	C1. CIA/C															
2003 ¹	\$ 7,874	\$ 345	\$ 1,934	\$ (159)	\$ 843		\$ 2004	\$ 1,696		\$ 204	\$ 297		\$ 2005	\$ 2,625		\$ 968		\$ 1,993	
2004	\$ 7,614	\$ 335	\$ 3,528	\$ (64)	\$ (1,358)		\$ 2006	\$ 1,887		\$ 486	\$ 752		\$ 2007	\$ 2,103		\$ 3,112		\$ 2,638	
2005	\$ 12,768	\$ 561	\$ 5,778	\$ (118)	\$ (2,278)		\$ 2008	\$ 537		\$ 731	\$ 731		\$ 2009	\$ 2,190		\$ 2,639		\$ 2,921	
2006	\$ 19,932	\$ 878	\$ 6,297	\$ (193)	\$ (2,633)		\$ 2010	\$ 2,043		\$ 799	\$ 799		\$ 2011	\$ 1,783		\$ 666		\$ 2,842	
2007	\$ 15,839	\$ 699	\$ 6,060	\$ (210)	\$ (693)		\$ 2012	\$ 1,617		\$ 583	\$ 583		\$ 2013	\$ 1,546		\$ 527		\$ 2,449	
2008	\$ 19,707	\$ 869	\$ 5,276	\$ (202)	\$ (55)													\$ 2,200	
2009	\$ 20,520	\$ 905	\$ 3,289	\$ (176)	\$ (1,412)													\$ 2,072	
2010	\$ 16,258	\$ 717	\$ 2,470	\$ (110)	\$ (1,060)														
2011	\$ 13,929	\$ 614	\$ 2,483	\$ (82)	\$ (1,052)														
2012	\$ 12,766	\$ 563	\$ 2,488	\$ (83)	\$ (1,041)														
2013	\$ 12,255	\$ -	\$ -	\$ -	\$ -														
¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.																			
² Includes both ADIT and ADIT on CIA/C.																			
		INPUTS (\$'000)			C2. CIA/C Amortization (for prior year CIA/C rec'd)			D. ADIT ²			E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB*			F. Rev Req for Expense (B + C2) / Net Rev Conv			G. Rate Base RAM		
REIP (w/ surcharge)		A. Plant Additions	B. Depreciation Accruals (for prior year plant adds)	C1. CIA/C															
2003 ¹	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2004	\$ -		\$ -	\$ -		\$ 2005	\$ -		\$ -		\$ -	
2004	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2006	\$ -		\$ -	\$ -		\$ 2007	\$ -		\$ -		\$ -	
2005	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2008	\$ -		\$ -	\$ -		\$ 2009	\$ -		\$ -		\$ -	
2006	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2010	\$ -		\$ -	\$ -		\$ 2011	\$ -		\$ -		\$ -	
2007	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2012	\$ -		\$ -	\$ -		\$ 2013	\$ -		\$ -		\$ -	
2008	\$ -	\$ -	\$ -	\$ -	\$ -														
2009	\$ -	\$ -	\$ -	\$ -	\$ -														
2010	\$ -	\$ -	\$ -	\$ -	\$ -														
2011	\$ -	\$ -	\$ -	\$ -	\$ -														
2012	\$ -	\$ -	\$ -	\$ -	\$ -														
2013	\$ -	\$ -	\$ -	\$ -	\$ -														
¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.																			
² Includes both ADIT and ADIT on CIA/C.																			

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INPUTS (\$000)	A. Plant Additions	B. Depreciation Accruals		C1. CIAC	C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²	CALCULATION/ RESULTS (\$000)		E. Rev Req for Rate Base (A-B-C1-C2-D)* RORB* Rev Conv	F. Rev Req for Expense (B+C2) / Net Rev Conv	G. Rate Base RAM G = E + F
		19	(\$for prior year plant adds)		1	\$		73	\$			
Renewables	2003 ¹	\$ 411	\$ 19	\$ -	\$ -	\$ -	\$ 73	\$ 55	\$ 1	\$ 56	\$ 56	
	2004	\$ 2,566	\$ 32	\$ -	\$ -	\$ -	\$ 59	\$ 409	\$ 20	\$ 429	\$ 429	
	2005	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (12)	\$ (3)	\$ 35	\$ 32	\$ 32	
	2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ (0)	\$ -	\$ -	\$ (0)	
	2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2007	\$ -	\$ -	\$ -	
	2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2008	\$ -	\$ -	\$ -	
	2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 2009	\$ -	\$ -	\$ -	
	2010	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 2010	\$ 4	\$ 4	\$ 4	
	2011	\$ 26	\$ 1	\$ -	\$ -	\$ -	\$ 0	\$ 2011	\$ 4	\$ 4	\$ 5	
	2012	\$ 26	\$ 1	\$ -	\$ -	\$ -	\$ 0	\$ 2012	\$ 4	\$ 4	\$ 5	
	2013	\$ 26	\$ 1	\$ -	\$ -	\$ -	\$ 0	\$ 2013	\$ 4	\$ 4	\$ 5	
	1 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.											
	2 Includes both ADIT and ADIT on CIAC.											
INPUTS (\$000)	A. Plant Additions	B. Depreciation Accruals		C1. CIAC	C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²	CALCULATION/ RESULTS (\$000)		E. Rev Req for Rate Base (A-B-C1-C2-D)* RORB* Rev Conv	F. Rev Req for Expense (B+C2) / Net Rev Conv	G. Rate Base RAM G = E + F
Others	2003 ¹	\$ 3,592	\$ 165	\$ -	\$ -	\$ -	\$ 369	\$ 2,958	\$ 181	\$ 3,139	\$ 3,139	
	2004	\$ 18,549	\$ 876	\$ -	\$ -	\$ -	\$ (264)	\$ 853	\$ 961	\$ 1,813	\$ 1,813	
	2005	\$ 5,805	\$ 264	\$ -	\$ -	\$ -	\$ (2)	\$ 1,329	\$ 290	\$ 1,619	\$ 1,619	
	2006	\$ 8,357	\$ 300	\$ -	\$ -	\$ -	\$ (73)	\$ 2007	\$ -	\$ 329	\$ -	
	2007	\$ 4,110	\$ 198	\$ -	\$ -	\$ -	\$ 296	\$ 2008	\$ -	\$ 518	\$ 217	
	2008	\$ 3,954	\$ 185	\$ -	\$ -	\$ -	\$ 390	\$ 2009	\$ 1,133	\$ 203	\$ 735	
	2009	\$ 8,148	\$ 350	\$ -	\$ -	\$ -	\$ (51)	\$ 2010	\$ 741	\$ 384	\$ 1,125	
	2010	\$ 5,250	\$ 235	\$ -	\$ -	\$ -	\$ (11)	\$ 2011	\$ 884	\$ 258	\$ 1,142	
	2011	\$ 6,130	\$ 298	\$ -	\$ -	\$ -	\$ (20)	\$ 2012	\$ 584	\$ 327	\$ 911	
	2012	\$ 4,182	\$ 203	\$ -	\$ -	\$ -	\$ (17)	\$ 2013	\$ 563	\$ 223	\$ 786	
	1 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.											
	2 Includes both ADIT and ADIT on CIAC.											
OTHER INPUTS	Rate Base (RORB) ³	Rate of Return on Ave Revenue Conversion		Net Revenue	Factor (Rev Conv) * Conversion			CALCULATION/ RESULTS (\$000)		E. Rev Req for Rate Base (A-B-C1-C2-D)* RORB* Rev Conv	F. Rev Req for Expense (B+C2) / Net Rev Conv	G. Rate Base RAM G = E + F
	2004	9.14%	1.796502	0.9119832								
	2005	9.14%	1.796502	0.9119832								
	2006	9.14%	1.796502	0.9119832								
	2007	9.14%	1.796502	0.9119832								
	2008	8.33%	1.796502	0.9119832								
	2009	8.33%	1.796502	0.9119832								
	2010	8.33%	1.796502	0.9119832								
	2011	8.33%	1.796502	0.9119832								
	2012	8.33%	1.796502	0.9119832								
	2013	8.33%	1.796502	0.9119832								

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³ RORBs from Final D&O 16922 dated 4/6/99 in Dkt. No. 97-0346, Interim D&O 23926 dated 12/21/07 in Dkt. No. 2006-0387
⁴ Refer to the Consumer Advocate's Testimony, Exhibit CA-101, Sch. A-1, line 8, in Dkt. No. 2008-0083

INPUTS (\$'000)		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB • Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F			
System Reliability		12,751		\$ 13,715		\$ 516		\$ -		\$ -		\$ 2,101		2004 \$ 1,760		566 \$		2,327 \$	
2003 ¹	\$	12,751	\$	13,715	\$	516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (71)	\$ 846	2005 \$ 1,278	\$ 629	\$	1,207		
2004	\$		\$	8,561	\$	574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (791)	\$ 2006 \$ 11,100	2007 \$ 1,563	\$ 377	\$	11,475		
2005	\$		\$	71,165	\$	344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,430)	\$ 2008 \$ 2,112	2009 \$ 2,706	\$ 4,274	\$	4,274		
2006	\$		\$	11,536	\$	2,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 514	\$ 2010 \$ 813	2011 \$ 3,772	\$ 2,710	\$	2,710		
2007	\$		\$	16,442	\$	455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (169)	\$ 2012 \$ 489	2013 \$ 668	\$ 499	\$	499		
2008	\$		\$	18,517	\$	632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322	\$ 2011 \$ 1,160	2012 \$ 668	\$ 693	\$	693		
2009	\$		\$	5,808	\$	760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (320)	\$ 2013 \$ 184		\$ 833	\$	833		
2010	\$		\$	24,781	\$	240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38			\$ 813	\$	813		
2011	\$		\$	3,879	\$	1,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38			\$ 263	\$	263		
2012	\$		\$	4,493	\$	168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38			\$ 1,649	\$	1,649		
2013	\$		\$													\$ 852	\$	852	

¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.

² Includes both ADIT and ADIT on CIAC.

INPUTS (\$'000)		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB • Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F			
Customer Additions		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		Customer Additions		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB • Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F	
2003 ¹	\$	17,962	\$	9,016	\$	817	\$ -	\$ 2,816	\$ -	\$ (294)	\$ -	\$ (233)	\$ 2004 \$ 937	\$ 574	\$	1,512			
2004	\$		\$	13,277	\$	411	\$ -	\$ 6,974	\$ -	\$ (94)	\$ -	\$ (2,643)	\$ 2005 \$ 1,369	\$ 348	\$	1,717			
2005	\$		\$	16,370	\$	604	\$ -	\$ 9,985	\$ -	\$ (232)	\$ -	\$ (3,791)	\$ 2006 \$ 1,556	\$ 408	\$	1,963			
2006	\$		\$	17,961	\$	742	\$ -	\$ 9,743	\$ -	\$ (316)	\$ -	\$ (3,688)	\$ 2007 \$ 1,821	\$ 467	\$	2,288			
2007	\$		\$	21,855	\$	814	\$ -	\$ 8,056	\$ -	\$ (308)	\$ -	\$ (1,542)	\$ 2008 \$ 2,311	\$ 554	\$	2,865			
2008	\$		\$	26,712	\$	986	\$ -	\$ 15,229	\$ -	\$ (233)	\$ -	\$ (7,377)	\$ 2009 \$ 2,253	\$ 825	\$	3,079			
2009	\$		\$	24,111	\$	1,213	\$ -	\$ 15,228	\$ -	\$ (472)	\$ -	\$ (5,848)	\$ 2010 \$ 2,179	\$ 812	\$	2,991			
2010	\$		\$	24,430	\$	1,095	\$ -	\$ 15,439	\$ -	\$ (472)	\$ -	\$ (5,879)	\$ 2011 \$ 2,219	\$ 683	\$	2,902			
2011	\$		\$	24,804	\$	1,109	\$ -	\$ 15,678	\$ -	\$ (479)	\$ -	\$ (5,970)	\$ 2012 \$ 2,253	\$ 691	\$	2,944			
2012	\$		\$	25,080	\$	1,126	\$ -	\$ 15,853	\$ -	\$ (487)	\$ -	\$ (6,037)	\$ 2013 \$ 2,278	\$ 701	\$	2,979			

¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.

² Includes both ADIT and ADIT on CIAC.

INPUTS (\$'000)		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB • Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F			
REIP (w/ surcharge)		A. Plant Additions		B. Depreciation Accruals (for prior year plant adds)		C1. CIAC		C2. CIAC Amortization (for prior year CIAC rec'd)		D. ADIT ²		REIP (w/ surcharge)		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB • Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F	
2003 ¹	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2004	\$ -	\$ -	\$ -	\$ -		
2004	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2005	\$ -	\$ -	\$ -	\$ -		
2005	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2006	\$ -	\$ -	\$ -	\$ -		
2006	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2007	\$ -	\$ -	\$ -	\$ -		
2007	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2008	\$ -	\$ -	\$ -	\$ -		
2008	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2009	\$ -	\$ -	\$ -	\$ -		
2009	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2010	\$ -	\$ -	\$ -	\$ -		
2010	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2011	\$ -	\$ -	\$ -	\$ -		
2011	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2012	\$ -	\$ -	\$ -	\$ -		
2012	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2013	\$ -	\$ -	\$ -	\$ -		

¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.

² Includes both ADIT and ADIT on CIAC.

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INPUTS (\$000)		B. Depreciation Accruals (for prior year plant adds)		C2. CIA/C Amortization (for prior year CIA/C rec'd)		D. ADIT ¹		CALCULATION/ RESULTS (\$000)		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB * Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F	
Renewables	\$	A. Plant Additions	\$	C1. CIA/C	\$	D. ADIT ²	\$	Renewables	\$	(1)	\$	11	\$	50	(1)
2003	\$ 1	-	\$ -	\$ -	\$ -	\$ -	\$ -	2004	\$ 2005	\$ 39	\$ -	\$ -	\$ -	\$ -	\$ -
2004	\$ 2	-	\$ 5	\$ 10	\$ 502	\$ -	\$ 3.63	2006	\$ 2007	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ 60
2005	\$ 3	-	\$ 5	\$ 21	\$ -	\$ (17)	\$ (190.94)	2008	\$ 2009	\$ 59	\$ -	\$ -	\$ -	\$ -	\$ 60
2006	\$ 4	-	\$ 566	\$ 0	\$ 567	\$ -	\$ (1.00)	2009	\$ 2010	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ 60
2007	\$ 5	-	\$ 10	\$ 34	\$ -	\$ (19)	\$ (189.51)	2010	\$ 2011	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ 60
2008	\$ 6	-	\$ 758	\$ 170	\$ -	\$ -	\$ (5.95)	2011	\$ 2012	\$ 17	\$ 5	\$ -	\$ -	\$ -	\$ 60
2009	\$ 7	-	\$ 4,807	\$ 100	\$ -	\$ -	\$ 85.14	2012	\$ 2013	\$ 17	\$ 5	\$ -	\$ -	\$ -	\$ 60
2010	\$ 8	-	\$ 2,920	\$ 100	\$ -	\$ -	\$ (19.08)	2013	\$ -	\$ 101	\$ 110	\$ -	\$ -	\$ -	\$ 60
2011	\$ 9	-	\$ -	\$ -	\$ -	\$ -	\$ (39.06)	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
2012	\$ 10	-	\$ -	\$ -	\$ -	\$ -	\$ -	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
2013	\$ 11	-	\$ -	\$ -	\$ -	\$ -	\$ -	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60

¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.² Includes both ADIT and ADIT on CIA/C.

INPUTS (\$000)		B. Depreciation Accruals (for prior year plant adds)		C2. CIA/C Amortization (for prior year CIA/C rec'd)		D. ADIT ²		CALCULATION/ RESULTS (\$000)		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB * Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F		
Others	\$	A. Plant Additions	\$	C1. CIA/C	\$	D. ADIT ²	\$	Others	\$	(1)	\$	416	\$	372	\$	788
2003	\$ 1	\$ 5,256	\$ 340	\$ -	\$ -	\$ -	\$ -	2004	\$ 2005	\$ 324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 571
2004	\$ 2	\$ 3,493	\$ 225	\$ -	\$ -	\$ -	\$ 40.94	2006	\$ 2007	\$ 47	\$ -	\$ -	\$ -	\$ -	\$ 566	
2005	\$ 3	\$ 2,311	\$ 145	\$ -	\$ -	\$ -	\$ (33.77)	2007	\$ 2008	\$ 116	\$ -	\$ -	\$ -	\$ -	\$ 566	
2006	\$ 4	\$ 408	\$ 788	\$ 26	\$ -	\$ -	\$ 33.87	2008	\$ 2009	\$ 265	\$ -	\$ -	\$ -	\$ -	\$ 566	
2007	\$ 5	\$ -	\$ 2,036	\$ 50	\$ -	\$ -	\$ 286.29	2009	\$ 2010	\$ 228	\$ -	\$ -	\$ -	\$ -	\$ 566	
2008	\$ 6	\$ 1,871	\$ 127	\$ -	\$ -	\$ -	\$ 280.01	2010	\$ 2011	\$ 204	\$ -	\$ -	\$ -	\$ -	\$ 566	
2009	\$ 7	\$ 1,463	\$ 118	\$ -	\$ -	\$ -	\$ 35.62	2011	\$ 2012	\$ 184	\$ -	\$ -	\$ -	\$ -	\$ 566	
2010	\$ 8	\$ 1,290	\$ 92	\$ -	\$ -	\$ -	\$ 36.05	2012	\$ 2013	\$ 322	\$ -	\$ -	\$ -	\$ -	\$ 566	
2011	\$ 9	\$ 2,243	\$ 81	\$ -	\$ -	\$ -	\$ 93.30	2013	\$ -	\$ 172	\$ -	\$ -	\$ -	\$ -	\$ 566	
2012	\$ 10	\$ 1,259	\$ 140	\$ -	\$ -	\$ -	\$ 15.37	2013	\$ -	\$ 154	\$ -	\$ -	\$ -	\$ -	\$ 566	
2013	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 566	

¹ 2003 plant additions provided for the purpose of calculating depreciation accruals for 2004.² Includes both ADIT and ADIT on CIA/C.

OTHER INPUTS		Rate of Return on Ave Rate Base (RORB) ³		Revenue Conversion Factor (Rev Conv) ⁴		Net Revenue Conversion		CALCULATION/ RESULTS (\$000)		E. Rev Req for Rate Base (A-B-C1-C2-D) * RORB * Rev Conv		F. Rev Req for Expense (B + C2) / Net Rev Conv		G. Rate Base RAM G = E + F	
		8.83%	1.796502	0.9119832				2004	\$ 2005	\$ 324	\$ -	372	\$	788	
2005		8.83%	1.796502	0.9119832				2005	\$ 2006	\$ 47	\$ -	247	\$	571	
2006		8.83%	1.796502	0.9119832				2006	\$ 2007	\$ 116	\$ -	159	\$	206	
2007		8.83%	1.796502	0.9119832				2007	\$ 2008	\$ 28	\$ -	116	\$	144	
2008		8.67%	1.796502	0.9119832				2008	\$ 2009	\$ 55	\$ -	265	\$	319	
2009		8.67%	1.796502	0.9119832				2009	\$ 2010	\$ 228	\$ -	140	\$	368	
2010		8.67%	1.796502	0.9119832				2010	\$ 2011	\$ 204	\$ -	129	\$	333	
2011		8.67%	1.796502	0.9119832				2011	\$ 2012	\$ 184	\$ -	101	\$	282	
2012		8.67%	1.796502	0.9119832				2012	\$ 2013	\$ 322	\$ -	89	\$	411	
2013		8.67%	1.796502	0.9119832				2013	\$ -	\$ 172	\$ -	89	\$	326	

³ RORBs from Final D&O 16822 dated 4/6/99 in Dkt. No. 97-0346, Interim D&O 23926 dated 12/21/07 in Dkt. No. 2006-0387⁴ Refer to the Consumer Advocate's Testimony, Exhibit CA-101, Sch. A-1, line 8, in Dkt. No. 2008-0083

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**Confidential Information Deleted
Pursuant To Protective Order, Filed on
January 6, 2009.**

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Comparison of NRRI's Proposed Revenue Enhancements/RAMS with Joint Proposal
With RPC with Reset
Summary of ROE's

	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
I. With RPC with Reset											
HECO	Joint Proposal RB and O&M RAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	52a - System Reliability RAM	9.63%	8.70%	9.10%	6.83%	8.78%					
	52b - Customer Addition RAM	8.98%	7.42%	8.39%	5.27%	8.39%					
	52c - Act 155 O&M RAM	8.81%	7.08%	8.31%	5.05%	8.32%					
	52d - Joint Proposal O&M RAM	8.81%	7.20%	8.70%	5.59%	8.68%					
	52e - 52a, b, & c	9.80%	9.04%	9.18%	7.05%	8.85%					
	52f - 52a, b, & d	9.80%	9.16%	9.57%	7.59%	9.21%					
HELCO	Joint Proposal RB and O&M RAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	52a - System Reliability RAM	10.17%	14.05%	13.28%	9.29%	8.53%					
	52b - Customer Addition RAM	7.84%	8.94%	7.57%	8.92%	9.65%					
	52c - Act 155 O&M RAM	7.70%	8.40%	6.35%	8.60%	9.55%					
	52d - Joint Proposal O&M RAM	7.70%	8.79%	7.33%	8.75%	9.71%					
	52e - 52a, b, & c	10.31%	14.54%	14.28%	9.55%	8.64%					
	52f - 52a, b, & d	10.31%	14.89%	15.07%	9.66%	8.79%					
MECO	Joint Proposal RB and O&M RAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	52a - System Reliability RAM	11.54%	11.84%	14.46%	12.77%	9.54%					
	52b - Customer Addition RAM	11.42%	11.57%	12.80%	9.67%	9.57%					
	52c - Act 155 O&M RAM	11.19%	10.88%	11.59%	7.96%	9.19%					
	52d - Joint Proposal O&M RAM	11.19%	11.07%	12.00%	8.65%	9.56%					
	52e - 52a, b, & c	11.76%	12.52%	15.67%	14.48%	9.91%					
	52f - 52a, b, & d	11.76%	12.71%	16.09%	15.17%	10.28%					

Note:

(1) The HECO Companies' PUC-IR-14 filing (revised 6/29/09 for HECO and HELCO, 6/25/09 for MECO) included the effect of the sales decoupling component (i.e. the revenue balancing account ("RBA"))

only for the prospective years after the test year rate cases where sales decoupling and the RBA were assumed to have been approved by the Commission. These prospective years would be 2010 to 2013 for HECO, and 2011 to 2013 for HELCO and MECO (shaded). To simplify the calculations for the NRRI RAMs, NRRI agreed to use the historical recorded or projected earnings as shown on Attachment 1, line 22, without calculating and incorporating the sales decoupling adjustment. Where there was sales growth in the historical/projected years as shown on Attachment 1, line 136, these ROE percentages are overstated as the historical/projected earnings shown on Attachment 1, line 22, would have included the additional revenue and earnings from the sales growth. The reverse is true for the historical/projected years when there is a sales decline, as these ROE percentages are understated from not having adjusted revenue and earnings for the short fall in sales. See this response' narrative, item 3 for additional details and discussion.

(2) MECO's 2013 ROE for PUC-IR-52d is higher than the revised 6/25/09 PUC-IR-14 filing due to the projected rate base RAM in 2013 having a negative value.

(2)

**Comparison of NERRI's Proposed Revenue Enhancements/RAMS with Joint Proposal
Without RPC with Reset
Summary of ROE's**

		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
II. Without RPC with Reset												
HECO	Joint Proposal RB and O&M RAM	n/a	9.58%	8.47%	8.78%	n/a	n/a	n/a	n/a	n/a	8.71%	
	52a - System Reliability RAM	8.93%	7.19%	8.07%	4.90%						8.32%	
	52b - Customer Addition RAM	8.76%	6.85%	7.99%	4.68%						8.25%	
	52c - Act 155 O&M RAM	8.76%	6.97%	8.38%	5.21%						8.62%	
	52d - Joint Proposal O&M RAM	9.75%	8.81%	8.86%	6.68%						8.78%	
	52e - 52a, b, & c	9.75%	8.93%	9.25%	7.22%						9.14%	
	52f - 52a, b, & d											
HECO	Joint Proposal RB and O&M RAM	n/a	9.47%	12.68%	11.34%	n/a	n/a	n/a	n/a	n/a	n/a	
	52a - System Reliability RAM	7.12%	7.41%	5.19%	8.52%						9.50%	
	52b - Customer Addition RAM	6.98%	6.86%	3.88%	8.17%						9.39%	
	52c - Act 155 O&M RAM	6.98%	7.25%	4.93%	8.34%						9.56%	
	52d - Joint Proposal O&M RAM	9.61%	13.18%	12.40%	9.24%						8.46%	
	52e - 52a, b, & c	9.61%	13.53%	13.23%	9.36%						8.62%	
	52f - 52a, b, & d											
MECO	Joint Proposal RB and O&M RAM	n/a	n/a	n/a	n/a						n/a	
	52a - System Reliability RAM	10.98%	10.73%	12.82%	10.73%						8.83%	
	52b - Customer Addition RAM	10.86%	10.47%	11.16%	7.63%						8.87%	
	52c - Act 155 O&M RAM	10.63%	9.78%	9.95%	5.92%						8.49%	
	52d - Joint Proposal O&M RAM	10.63%	9.97%	10.36%	6.61%						8.86%	
	52e - 52a, b, & c	11.20%	11.42%	14.03%	12.43%						9.21%	
	52f - 52a, b, & d	11.20%	11.61%	14.45%	13.12%						9.58%	

Note:

(1) The HECO Companies' PUC-IR-14 filing (revised 6/29/09 for HECO and HELCO, 6/25/09 for MECO) included the effect of the sales decoupling component (i.e. the revenue balancing account ("RBA"))

only for the prospective years after the test year cases where sales decoupling and the RBA were assumed to have been approved by the Commission. These prospective years would be 2010 to 2013 for HECO, and 2011 to 2013 for HELCO and MECO (shaded). To simplify the calculations for the NERRI RAMs, NERRI agreed to use the historical recorded or projected earnings as shown on Attachment 1, line 22, without calculating and incorporating the sales decoupling adjustment. Where there was sales growth in the historical/projected years as shown on Attachment 1, line 136, these ROE percentages are overstated as the historical/projected earnings shown on Attachment 1, line 22, would have included the additional revenue and earnings from the sales growth. The reverse is true for the historical/projected years when there is a sales decline, as these ROE percentages are understated from not having adjusted revenue and earnings for the short fall in sales. See this response's narrative, item 3 for additional details and discussion.

(2) MECO's 2013 ROE for PUC-IR-52d is higher than the revised 6/25/09 PUC-IR-14 filing due to the projected rate base RAM in 2013 having a negative value.

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HECO ****REVISED2****
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM

	2004	2005	2006	2007	2008
Operating Earnings Per Scenario:					
1 RPC with reset and System Reliability RAM	80,755	81,512	84,456	71,057	86,830
2 RPC with reset and Customer Addition RAM	76,767	73,240	80,073	60,998	84,007
3 RPC with reset and Act 155 O&M RAM	75,731	71,032	79,556	59,556	83,500
4 RPC with reset and Joint Proposal O&M RAM	75,731	71,822	81,969	63,017	86,127
5 RPC with reset, Reliability, Cust Add, Act 155	81,791	83,719	84,973	72,499	87,337
6 RPC with reset, Reliability, Cust Add, JSOP	81,791	84,509	87,386	75,960	89,965
7 No RPC and System Reliability RAM	80,425	80,024	82,459	68,654	86,325
8 No RPC and Customer Addition RAM	76,436	71,752	78,076	58,595	83,502
9 No RPC and Act 155 O&M RAM	75,400	69,544	77,559	57,153	82,995
10 No RPC and Joint Proposal O&M RAM	75,400	70,334	79,973	60,614	85,622
11 No RPC, Reliability, Cust Add, Act 155	81,461	82,232	82,976	70,096	86,833
12 No RPC, Reliability, Cust Add, JSOP	81,461	83,021	85,390	73,556	89,460
Return on Equity:					
1 RPC with reset and System Reliability RAM	9.63%	8.70%	9.10%	6.83%	8.78%
2 RPC with reset and Customer Addition RAM	8.98%	7.42%	8.39%	5.27%	8.39%
3 RPC with reset and Act 155 O&M RAM	8.81%	7.08%	8.31%	5.05%	8.32%
4 RPC with reset and Joint Proposal O&M RAM	8.81%	7.20%	8.70%	5.59%	8.68%
5 RPC with reset, Reliability, Cust Add, Act 155	9.80%	9.04%	9.18%	7.05%	8.85%
6 RPC with reset, Reliability, Cust Add, JSOP	9.80%	9.16%	9.57%	7.59%	9.21%
7 No RPC and System Reliability RAM	9.58%	8.47%	8.78%	6.46%	8.71%
8 No RPC and Customer Addition RAM	8.93%	7.19%	8.07%	4.90%	8.32%
9 No RPC and Act 155 O&M RAM	8.76%	6.85%	7.99%	4.68%	8.25%
10 No RPC and Joint Proposal O&M RAM	8.76%	6.97%	8.38%	5.21%	8.62%
11 No RPC, Reliability, Cust Add, Act 155	9.75%	8.81%	8.86%	6.68%	8.78%
12 No RPC, Reliability, Cust Add, JSOP	9.75%	8.93%	9.25%	7.22%	9.14%

Note:

The ROEs above were calculated for lines 83 through 88 and lines 123 through 128 of Attachment 1 of the Companies' response to PUC-IR-52 and were calculated using book average common equity as a proxy for ratemaking average common equity for all years.

In the response to PUC-IR-14, the Companies' ROEs and equity amounts shown on lines 33b and 33a, respectively, were calculated using ratemaking average common equity for the historical years, 2004 through 2008.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #1 RPC with Reset and System Reliability RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	80,755	81,512	84,456	71,057	86,830
Interest expense	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	58,916	56,375	56,672	44,068	63,726
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	9.63%	8.70%	9.10%	6.83%	8.78%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #2 RPC with Reset and Customer Additions RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	76,767	73,240	80,073	60,998	84,007
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	54,928	48,103	52,289	34,009	60,903
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	8.98%	7.42%	8.39%	5.27%	8.39%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #3 RPC with Reset and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	75,731	71,032	79,556	59,556	83,500
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	53,892	45,895	51,772	32,567	60,396
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	8.81%	7.08%	8.31%	5.05%	8.32%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
 Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #4 RPC with Reset and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	75,731	71,822	81,969	63,017	86,127
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	53,892	46,685	54,185	36,028	63,023
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	8.81%	7.20%	8.70%	5.59%	8.68%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #5 RPC with Reset, System Reliability, Customer Additions and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	81,791	83,719	84,973	72,499	87,337
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
 Net income	 59,952	 58,582	 57,189	 45,510	 64,233
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	9.80%	9.04%	9.18%	7.05%	8.85%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
 Decoupling Docket PUC-IR-52
 ROE Impact of Proposed RAM - #6 RPC with Reset, System Reliability, Customer Additions and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	81,791	84,509	87,386	75,960	89,965
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	59,952	59,372	59,602	48,971	66,861
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	9.80%	9.16%	9.57%	7.59%	9.21%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #7 No RPC and System Reliability RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	80,425	80,024	82,459	68,654	86,325
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	58,586	54,887	54,675	41,665	63,221
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	9.58%	8.47%	8.78%	6.46%	8.71%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
 Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #8 No RPC and Customer Additions RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	76,436	71,752	78,076	58,595	83,502
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	54,597	46,615	50,292	31,606	60,398
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	8.93%	7.19%	8.07%	4.90%	8.32%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
 Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #9 No RPC and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	75,400	69,544	77,559	57,153	82,995
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	53,561	44,407	49,775	30,164	59,891
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	8.76%	6.85%	7.99%	4.68%	8.25%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #10 No RPC and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings					
Interest expense (pretax)	75,400	70,334	79,973	60,614	85,622
AFUDC debt	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC equity	2,313	1,575	1,816	2,145	2,774
AFUDC gross up	5,226	4,031	4,059	4,404	7,088
Preferred stock dividends	3,328	2,568	2,585	2,805	4,515
	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	53,561	45,197	52,189	33,625	62,518
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	8.76%	6.97%	8.38%	5.21%	8.62%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
 Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #11 No RPC and System Reliability, Customer Additions and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	81,461	82,232	82,976	70,096	86,833
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	59,622	57,095	55,192	43,107	63,729
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	9.75%	8.81%	8.86%	6.68%	8.78%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

HECO
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #12 No RPC and System Reliability, Customer Additions and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating earnings	81,461	83,021	85,390	73,556	89,460
Interest expense (pretax)	(31,625)	(32,231)	(35,164)	(35,263)	(36,401)
AFUDC debt	2,313	1,575	1,816	2,145	2,774
AFUDC equity	5,226	4,031	4,059	4,404	7,088
AFUDC gross up	3,328	2,568	2,585	2,805	4,515
Preferred stock dividends	(1,080)	(1,080)	(1,080)	(1,080)	(1,080)
Net income	59,622	57,884	57,606	46,567	66,356
Average common equity *	611,727	648,218	623,076	645,079	725,680
ROACE per scenario	9.75%	8.93%	9.25%	7.22%	9.14%

* per the filed Rate of Return on Rate Base and on Common Equity filing to the PUC.

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Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC	2009	2010	RC	2011	2012	2013
Operating earnings							
Interest expense (pretax)							
AFUDC debt							
AFUDC equity							
AFUDC gross up							
Preferred stock dividends							
Net income							A
Other common equity changes							B
Net change in retained earnings							C = A + B
Common equity, beginning of period							D
Common equity, end of period							E = C + D
Average common equity							
ROACE per RAM case							

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

PUC-IR-52b wRPC

Hawaiian Electric Company, Inc.
Decoupling Docket PUC-IR-52b with RPC reset
ROE Impact of Proposed RAM (1)

CONFIDENTIAL

	RC	RC			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					A
Other common equity changes					B
Net change in retained earnings					C = A + B
Common equity, beginning of period					D
Common equity, end of period					E = C + D
Average common equity					
ROACE per RAM case					

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC 2009	RC 2010	RC 2011	RC 2012	RC 2013	
Operating earnings						
Interest expense (pretax)						
AFUDC debt						
AFUDC equity						
AFUDC gross up						
Preferred stock dividends						
Net income						A
Other common equity changes						B
Net change in retained earnings						C = A + B
Common equity, beginning of period						D
Common equity, end of period						E = C + D
Average common equity						
ROACE per RAM case						

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC	2009	RC	2010	2011	2012	2013
Operating earnings							
Interest expense (pretax)							
AFUDC debt							
AFUDC equity							
AFUDC gross up							
Preferred stock dividends							
Net income							A
Other common equity changes							B
Net change in retained earnings							$C = A + B$
Common equity, beginning of period							D
Common equity, end of period							$E = C + D$
Average common equity							
ROACE per RAM case							

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC	RC			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					A
Other common equity changes					B
Net change in retained earnings					C = A + B
Common equity, beginning of period					D
Common equity, end of period					E = C + D
Average common equity					
ROACE per RAM case					

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

PUC-IR-52f wRPC

Hawaiian Electric Company, Inc.
Decoupling Docket PUC-IR-52f with RPC reset
ROE Impact of Proposed RAM (1)

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	RC 2009	RC 2010	RC 2011	2012	2013	
Operating earnings						
Interest expense (pretax)						
AFUDC debt						
AFUDC equity						
AFUDC gross up						
Preferred stock dividends						
Net income						A
Other common equity changes						B
Net change in retained earnings						C = A + B
Common equity, beginning of period						D
Common equity, end of period						E = C + D
Average common equity						
ROACE per RAM case						

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

PUC-IR-52a woRPC

Hawaiian Electric Company, Inc.
Decoupling Docket PUC-IR-52a without RPC reset
ROE Impact of Proposed RAM (1)

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	RC	2009	RC	2010	2011	2012	2013
Operating earnings							
Interest expense (pretax)							
AFUDC debt							
AFUDC equity							
AFUDC gross up							
Preferred stock dividends							
Net income							A
Other common equity changes							B
Net change in retained earnings							$C = A + B$
Common equity, beginning of period							D
Common equity, end of period							$E = C + D$
Average common equity							
ROACE per RAM case							

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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ROE Impact of Proposed RAM (1)

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	RC	RC			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					A
Other common equity changes					B
Net change in retained earnings					C = A + B
Common equity, beginning of period					D
Common equity, end of period					E = C + D
Average common equity					
ROACE per RAM case					

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC	RC			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					A
Other common equity changes					B
Net change in retained earnings					C = A + B
Common equity, beginning of period					D
Common equity, end of period					E = C + D
Average common equity					
ROACE per RAM case					

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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PUC-IR-52d woRPC

Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC	RC			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					A
Other common equity changes					B
Net change in retained earnings					C = A + B
Common equity, beginning of period					D
Common equity, end of period					E = C + D
Average common equity					
ROACE per RAM case					

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

Hawaiian Electric Company, Inc.
Decoupling Docket PUC-IR-52e without RPC reset
ROE Impact of Proposed RAM (1)

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	RC	2009	2010	RC	2011	2012	2013
Operating earnings							
Interest expense (pretax)							
AFUDC debt							
AFUDC equity							
AFUDC gross up							
Preferred stock dividends							
Net income							A
Other common equity changes							B
Net change in retained earnings							C = A + B
Common equity, beginning of period							D
Common equity, end of period							E = C + D
Average common equity							
ROACE per RAM case							

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

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Hawaiian Electric Company, Inc.
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ROE Impact of Proposed RAM (1)

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	RC 2009	RC 2010	RC 2011	2012	2013	
Operating earnings						
Interest expense (pretax)						
AFUDC debt						
AFUDC equity						
AFUDC gross up						
Preferred stock dividends						
Net income						A
Other common equity changes						B
Net change in retained earnings						C = A + B
Common equity, beginning of period						D
Common equity, end of period						E = C + D
Average common equity						
ROACE per RAM case						

Notes:

1. Common equity balances for 2009 based on HECO TY09 rate case probable entitlement.
2. Interest expense for 2009 was based on "synchronization" method (rate base x weighted cost of debt) per HECO TY 2009 probable entitlement revenue requirements.
3. Preferred stock dividends for 2009 based on "synchronization" method (rate base x weighted cost of preferred stocks) per HECO TY 2009 probable entitlement revenue requirements.
4. Other common equity changes consists of common dividends and common equity investment from parent.
5. Interest expense, AFUDC debt, AFUDC equity, AFUDC equity gross-up and preferred stock dividends for 2010-2013 per 2009-2013 budget.

Hawaii Electric Light Company, Ltd.

Decoupling Docket PUC-IR-52

ROE Impact of Proposed RAM - Historical Years

		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Return on Equity:						
1	RPC with reset and System Reliability RAM	10.17%	14.05%	13.28%	9.29%	8.53%
2	RPC with reset and Customer Addition RAM	7.84%	8.94%	7.57%	8.92%	9.65%
3	RPC with reset and Act 155 O&M RAM	7.70%	8.40%	6.35%	8.60%	9.55%
4	RPC with reset and Joint Proposal O&M RAM	7.70%	8.79%	7.33%	8.75%	9.71%
5	RPC with reset, Reliability, Cust Add, Act 155	10.31%	14.54%	14.28%	9.55%	8.64%
6	RPC with reset, Reliability, Cust Add, JSOP	10.31%	14.89%	15.07%	9.66%	8.79%
7	No RPC and System Reliability RAM	9.47%	12.68%	11.34%	8.96%	8.35%
8	No RPC and Customer Addition RAM	7.12%	7.41%	5.19%	8.52%	9.50%
9	No RPC and Act 155 O&M RAM	6.98%	6.86%	3.88%	8.17%	9.39%
10	No RPC and Joint Proposal O&M RAM	6.98%	7.25%	4.93%	8.34%	9.56%
11	No RPC, Reliability, Cust Add, Act 155	9.61%	13.18%	12.40%	9.24%	8.46%
12	No RPC, Reliability, Cust Add, JSOP	9.61%	13.53%	13.23%	9.36%	8.62%

Note:

The ROEs above were calculated for lines 83 through 88 and lines 123 through 128 of Attachment 1 of HELCO's response to PUC-IR-52 and were calculated using ratemaking average common equity adjusted for the additional earnings of the proposed RAM for the historical years, 2004 through 2008.

In the response to PUC-IR-14, HELCO's ROEs and equity amounts shown on lines 33b and 33a, respectively, were calculated using ratemaking average common equity for the historical years, 2004 through 2008.

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Hawaii Electric Light Company, Inc.
Decoupling Docket PUC-IR-52
ROE Impact w/ RPC w/ reset - Historical Years

	2004	2005	2006	2007	2008 Ref
Ratemaking Return on Common Equity - As Filed					
Common Equity, beg of period	175,373	186,605	189,507	175,102	201,798 Ln 1
Common Equity, end of period	186,605	189,507	175,102	201,798	221,440 Ln 2
Simple Average	180,989	188,056	182,305	188,450	211,619 Ln 3 = (Ln 1 + Ln 2) / 2
Change in Common Equity	11,232	2,902	(14,405)	26,696	19,642 Ln 4 = Ln 2 - Ln 1
ROE w/ RPC Reset 52a					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	6,074	15,487	21,406	6,380	2,508 Ln 6
Earnings for Common Stock adjusted by RAM	18,710	28,370	28,488	21,785	22,375 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	192,879	211,048	218,049	251,125 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	6,074	15,487	21,406	6,380	2,508 Ln 6
Common Equity, end of period adj for RAM	192,679	211,048	218,049	251,125	273,275 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	184,026	201,864	214,549	234,587	262,200 Ln 10 = (Ln 8 + Ln 9) / 2
Estimated ROE	10.17%	14.05%	13.28%	9.29%	8.53% Ln 11 = Ln 7 / Ln 10
ROE w/ RPC Reset 52b					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	1,616	4,235	7,450	2,711	2,211 Ln 6
Earnings for Common Stock adjusted by RAM	14,252	17,138	14,532	18,116	22,078 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	188,221	195,358	188,403	217,810 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	1,616	4,235	7,450	2,711	2,211 Ln 6
Common Equity, end of period adj for RAM	188,221	195,358	188,403	217,810	239,663 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	181,797	191,790	191,881	203,107	228,737 Ln 10 = (Ln 8 + Ln 9) / 2
Estimated ROE	7.84%	8.94%	7.57%	8.82%	9.65% Ln 11 = Ln 7 / Ln 10
ROE w/ RPC Reset 52c					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	1,346	3,141	4,937	1,683	1,477 Ln 6
Earnings for Common Stock adjusted by RAM	13,982	16,044	12,019	17,088	21,344 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	187,951	193,994	184,526	212,905 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	1,346	3,141	4,837	1,683	1,477 Ln 6
Common Equity, end of period adj for RAM	187,951	193,994	184,526	212,905	234,024 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	181,662	190,973	189,260	198,716	223,465 Ln 10 = (Ln 8 + Ln 9) / 2
Estimated ROE	7.70%	8.40%	6.35%	8.60%	9.55% Ln 11 = Ln 7 / Ln 10
ROE w/ RPC Reset 52d					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	1,346	3,909	6,924	2,248	2,189 Ln 6
Earnings for Common Stock adjusted by RAM	13,982	16,812	14,006	17,653	22,056 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	187,951	194,762	187,281	216,225 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	1,346	3,909	6,924	2,248	2,189 Ln 6
Common Equity, end of period adj for RAM	187,951	194,762	187,281	216,225	238,056 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	181,662	191,357	191,022	201,753	227,141 Ln 10 = (Ln 8 + Ln 9) / 2
Estimated ROE	7.70%	8.79%	7.33%	8.75%	9.71% Ln 11 = Ln 7 / Ln 10
ROE w/ RPC Reset 52e					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	6,344	16,560	23,920	7,408	3,243 Ln 6
Earnings for Common Stock adjusted by RAM	18,980	29,463	31,002	22,813	23,110 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	192,949	212,411	221,926	256,030 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	6,344	18,560	23,920	7,408	3,243 Ln 6
Common Equity, end of period adj for RAM	192,949	212,411	221,926	256,030	278,915 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	184,161	202,680	217,169	238,978	267,473 Ln 10 = (Ln 8 + Ln 9) / 2
Estimated ROE	10.31%	14.54%	14.28%	9.55%	8.64% Ln 11 = Ln 7 / Ln 10
ROE w/ RPC Reset 52f					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	6,344	17,328	25,907	7,973	3,955 Ln 6
Earnings for Common Stock adjusted by RAM	18,980	30,231	32,989	23,378	23,822 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	192,949	213,179	224,681	259,350 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	6,344	17,328	25,907	7,973	3,955 Ln 6
Common Equity, end of period adj for RAM	192,949	213,179	224,681	259,350	282,947 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	184,161	203,064	218,930	242,016	271,149 Ln 10 = (Ln 8 + Ln 9) / 2
Estimated ROE	10.31%	14.89%	15.07%	9.66%	8.79% Ln 11 = Ln 7 / Ln 10

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Hawaii Electric Light Company, Inc.
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ROE Impact w/o RPC w/ reset - Historical Years

	2004	2005	2006	2007	2008 Ref
Ratemaking Return on Common Equity - As Filed					
Common Equity, beg of period	175,373	186,605	189,507	175,102	201,798 Ln 1
Common Equity, end of period	186,605	189,507	175,102	201,798	221,440 Ln 2
Simple Average	180,989	188,056	182,305	188,450	211,619 Ln 3 = (Ln 1 + Ln 2) / 2
Change in Common Equity	11,232	2,902	(14,405)	26,698	19,642 Ln 4 = Ln 2 - Ln 1
ROE w/o RPC Reset 52a					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	4,728	12,325	16,469	4,697	1,031 Ln 6
Earnings for Common Stock adjusted by RAM	17,364	25,228	23,551	20,102	20,898 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	191,333	206,580	208,624	240,017 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	4,728	12,325	16,469	4,697	1,031 Ln 6
Common Equity, end of period adj for RAM	191,333	206,560	208,624	240,017	260,690 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	183,353	198,947	207,592	224,321	250,354 Ln 10 =(Ln 8 + Ln 9) / 2
Estimated ROE	9.47%	12.68%	11.34%	8.96%	8.35% Ln 11 = Ln 7 / Ln 10
ROE w/o RPC Reset 52b					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	269	1,093	2,514	1,029	735 Ln 6
Earnings for Common Stock adjusted by RAM	12,905	13,996	9,596	16,434	20,602 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	186,874	190,869	178,978	206,703 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	269	1,093	2,514	1,029	735 Ln 6
Common Equity, end of period adj for RAM	186,874	190,869	178,978	206,703	227,080 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	181,124	188,872	184,924	192,841	216,892 Ln 10 =(Ln 8 + Ln 9) / 2
Estimated ROE	7.12%	7.41%	5.19%	8.52%	9.50% Ln 11 = Ln 7 / Ln 10
ROE w/o RPC Reset 52c					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	-	-	-	-	- Ln 6
Earnings for Common Stock adjusted by RAM	12,636	12,903	7,082	15,405	19,867 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	186,605	189,507	175,102	201,798 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	-	-	-	-	- Ln 6
Common Equity, end of period adj for RAM	186,605	189,507	175,102	201,798	221,440 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	180,989	188,056	182,305	188,450	211,619 Ln 10 =(Ln 8 + Ln 9) / 2
Estimated ROE	6.98%	6.88%	3.88%	8.17%	9.39% Ln 11 = Ln 7 / Ln 10
ROE w/o RPC Reset 52d					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	-	768	1,988	565	712 Ln 6
Earnings for Common Stock adjusted by RAM	12,636	13,671	9,070	15,970	20,579 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	186,605	190,275	177,858	205,119 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	-	768	1,988	565	712 Ln 6
Common Equity, end of period adj for RAM	186,605	190,275	177,858	205,119	225,473 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	180,989	188,440	184,067	191,489	215,296 Ln 10 =(Ln 8 + Ln 9) / 2
Estimated ROE	6.98%	7.25%	4.83%	8.34%	9.56% Ln 11 = Ln 7 / Ln 10
ROE w/o RPC Reset 52e					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	4,997	13,419	18,983	5,725	1,766 Ln 6
Earnings for Common Stock adjusted by RAM	17,633	26,322	26,065	21,130	21,633 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	191,602	207,923	212,501	244,922 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	4,997	13,419	18,983	5,725	1,766 Ln 6
Common Equity, end of period adj for RAM	191,602	207,923	212,501	244,922	266,330 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	183,488	199,763	210,212	228,712	255,826 Ln 10 =(Ln 8 + Ln 9) / 2
Estimated ROE	9.61%	13.18%	12.40%	9.24%	8.46% Ln 11 = Ln 7 / Ln 10
ROE w/o RPC Reset 52f					
Earnings for Common Stock (As Filed)	12,636	12,903	7,082	15,405	19,867 Ln 5
Additional Earnings on RAM	4,997	14,186	20,871	6,290	2,478 Ln 6
Earnings for Common Stock adjusted by RAM	17,633	27,089	28,053	21,695	22,345 Ln 7 = Ln 5 + Ln 6
Common Equity, beg of period	175,373	191,602	208,690	215,256	248,242 Ln 8
Change in Common Equity (As Filed)	11,232	2,902	(14,405)	26,696	19,642 Ln 4
Additional Earnings on RAM	4,997	14,186	20,871	6,290	2,478 Ln 6
Common Equity, end of period adj for RAM	191,602	208,690	215,256	248,242	270,362 Ln 9 = Ln 8 + Ln 4 + Ln 6
Simple Average Common Equity adj for RAM	183,488	200,148	211,973	231,749	259,302 Ln 10 =(Ln 8 + Ln 9) / 2
Estimated ROE	9.61%	13.53%	13.23%	9.36%	8.62% Ln 11 = Ln 7 / Ln 10

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Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - Prospective Years

Operating Earnings Per Scenario:	2009	2010	2011	2012	2013
1 RPC with reset and System Reliability RAM					
2 RPC with reset and Customer Addition RAM					
3 RPC with reset and Act 155 O&M RAM					
4 RPC with reset and Joint Proposal O&M RAM					
5 RPC with reset, Reliability, Cust Add, Act 155					
6 RPC with reset, Reliability, Cust Add, JSOP					
7 No RPC and System Reliability RAM					
8 No RPC and Customer Addition RAM					
9 No RPC and Act 155 O&M RAM					
10 No RPC and Joint Proposal O&M RAM					
11 No RPC, Reliability, Cust Add, Act 155					
12 No RPC, Reliability, Cust Add, JSOP					

Return on Equity:	2009	2010	2011	2012	2013
1 RPC with reset and System Reliability RAM					
2 RPC with reset and Customer Addition RAM					
3 RPC with reset and Act 155 O&M RAM					
4 RPC with reset and Joint Proposal O&M RAM					
5 RPC with reset, Reliability, Cust Add, Act 155					
6 RPC with reset, Reliability, Cust Add, JSOP					
7 No RPC and System Reliability RAM					
8 No RPC and Customer Addition RAM					
9 No RPC and Act 155 O&M RAM					
10 No RPC and Joint Proposal O&M RAM					
11 No RPC, Reliability, Cust Add, Act 155					
12 No RPC, Reliability, Cust Add, JSOP					

Note:

The ROEs above were calculated for lines 83 through 88 and lines 123 through 128 of Attachment 1 of HELCO's response to PUC-IR-52 and were calculated using book average common equity as a proxy for ratemaking average common equity for the prospective years, 2009 through 2013.

In the response to PUC-IR-14, HELCO's ROEs and equity amounts shown on lines 33b and 33a, respectively, were calculated using book average common equity as a proxy for ratemaking average common equity for the prospective years, 2009 through 2013.

Hawaii Electric Light Company, Ltd.
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ROE Impact of Proposed RAM - #1 RPC with Reset and System Reliability RAM

	2009	2010	2011	2012	2013
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

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Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #2 RPC with Reset and Customer Additions RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #3 RPC with Reset and Act 155 O&M RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #4 RPC with Reset and Joint Proposal O&M RAM

	2009	2010	2011	2012	2013
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

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ROE Impact of Proposed RAM - #5 RPC with Reset, System Reliability, Customer Additions and Act 155 O&M RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
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ROE Impact of Proposed RAM - #6 RPC with Reset, System Reliability, Customer Additions and Joint Proposal O&M RAM

	2009	2010	2011	2012	2013
<i>Operating earnings</i>					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #7 No RPC and System Reliability RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (prefax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #8 No RPC and Customer Additions RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
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ROE Impact of Proposed RAM - #9 No RPC and Act 155 O&M RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #10 No RPC and Joint Proposal O&M RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #11 No RPC and System Reliability, Customer Additions and Act 155 O&M RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

Hawaii Electric Light Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #12 No RPC and System Reliability, Customer Additions and Joint Proposal O&M RAM

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings					
Interest expense (pretax)					
AFUDC debt					
AFUDC equity					
AFUDC gross up					
Preferred stock dividends					
Net income					
Net change in common equity during the year					
Common equity, beginning of period					
Common equity, end of period					
Average common equity					
ROACE per scenario					

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Maui Electric Company, Ltd.
Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM

		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Earnings Per Scenario:											
1	RPC with reset and System Reliability RAM	31,213	30,944	33,988	35,127	29,429					
2	RPC with reset and Customer Addition RAM	30,986	30,438	30,780	28,911	29,499					
3	RPC with reset and Act 155 O&M RAM	30,565	29,118	28,436	25,491	28,702					
4	RPC with reset and Joint Proposal O&M RAM	30,565	29,472	29,244	26,870	29,481					
5	RPC with reset, Reliability, Cust Add, Act 155	31,634	32,264	36,332	38,547	30,226					
6	RPC with reset, Reliability, Cust Add, JSOP	31,634	32,618	37,139	39,926	31,005					
7	No RPC and System Reliability RAM	30,157	28,831	30,818	31,028	27,943					
8	No RPC and Customer Addition RAM	29,930	28,325	27,611	24,812	28,014					
9	No RPC and Act 155 O&M RAM	29,509	27,005	25,267	21,392	27,216					
10	No RPC and Joint Proposal O&M RAM	29,509	27,359	26,075	22,771	27,995					
11	No RPC, Reliability, Cust Add, Act 155	30,578	30,151	33,162	34,448	28,741					
12	No RPC, Reliability, Cust Add, JSOP	30,578	30,505	33,970	35,827	29,520					
Return on Equity:											
1	RPC with reset and System Reliability RAM	11.54%	11.84%	14.46%	12.77%	9.54%					
2	RPC with reset and Customer Addition RAM	11.42%	11.57%	12.80%	9.67%	9.57%					
3	RPC with reset and Act 155 O&M RAM	11.19%	10.88%	11.59%	7.96%	9.19%					
4	RPC with reset and Joint Proposal O&M RAM	11.19%	11.07%	12.00%	8.65%	9.56%					
5	RPC with reset, Reliability, Cust Add, Act 155	11.76%	12.52%	15.67%	14.48%	9.91%					
6	RPC with reset, Reliability, Cust Add, JSOP	11.76%	12.71%	16.09%	15.17%	10.28%					
7	No RPC and System Reliability RAM	10.98%	10.73%	12.82%	10.73%	8.83%					
8	No RPC and Customer Addition RAM	10.86%	10.47%	11.16%	7.63%	8.87%					
9	No RPC and Act 155 O&M RAM	10.63%	9.78%	9.95%	5.92%	8.49%					
10	No RPC and Joint Proposal O&M RAM	10.63%	9.97%	10.36%	6.61%	8.86%					
11	No RPC, Reliability, Cust Add, Act 155	11.20%	11.42%	14.03%	12.43%	9.21%					
12	No RPC, Reliability, Cust Add, JSOP	11.20%	11.61%	14.45%	13.12%	9.58%					

Note:

The ROEs above were calculated for lines 83 through 88 and lines 123 through 128 of Attachment 1 of MECO's response to PUC-IR-52 and were calculated using book average common equity as a proxy for ratemaking average common equity for all years.

In the response to PUC-IR-14, MECO's ROEs and equity amounts shown on lines 33b and 33a, respectively, were calculated using ratemaking average common equity for the historical years, 2004 through 2008, and book average common equity as a proxy for ratemaking average common equity for the forecast years, 2009 through 2013.

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Decoupling Docket PUC-IR-52
ROE Impact of Proposed RAM - #1 RPC with Reset and System Reliability RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	31,213	30,944	33,988	35,127	29,429	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	21,724	22,701	27,938	25,594	20,210					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.54%	11.84%	14.46%	12.77%	9.54%					

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ROE Impact of Proposed RAM - #2 RPC with Reset and Customer Additions RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	30,986	30,438	30,780	28,911	29,499	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	21,497	22,195	24,730	19,378	20,280					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.42%	11.57%	12.80%	9.67%	9.57%					

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ROE Impact of Proposed RAM - #3 RPC with Reset and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	30,565	29,118	28,436	25,491	28,702					
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)	(9,994)					
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	21,076	20,875	22,386	15,958	19,483					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.19%	10.88%	11.59%	7.96%	9.19%					

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ROE Impact of Proposed RAM - #4 RPC with Reset and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	30,565	29,472	29,244	26,870	29,481	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	21,076	21,229	23,194	17,337	20,262					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.19%	11.07%	12.00%	8.65%	9.56%					

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ROE Impact of Proposed RAM - #5 RPC with Reset, System Reliability, Customer Additions and Act 155 O&M RAM

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating earnings	31,634	32,264	36,332	38,547	30,226	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	22,145	24,021	30,282	29,014	21,007					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.76%	12.52%	15.67%	14.48%	9.91%					

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ROE Impact of Proposed RAM - #6 RPC with Reset, System Reliability, Customer Additions and Joint Proposal O&M RAM

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating earnings	31,634	32,618	37,139	39,926	31,005	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	22,145	24,375	31,089	30,393	21,786					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.76%	12.71%	16.09%	15.17%	10.28%					

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ROE Impact of Proposed RAM - #7 No RPC and System Reliability RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	30,157	28,831	30,818	31,028	27,943	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	20,668	20,588	24,768	21,495	18,724					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	10.98%	10.73%	12.82%	10.73%	8.83%					

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ROE Impact of Proposed RAM - #8 No RPC and Customer Additions RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	29,930	28,325	27,611	24,812	28,014	(9,994)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)						
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	20,441	20,082	21,561	15,279	18,795					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	10.86%	10.47%	11.16%	7.63%	8.87%					

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ROE Impact of Proposed RAM - #9 No RPC and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	29,509	27,005	25,267	21,392	27,216					
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)	(9,994)					
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	20,020	18,762	19,217	11,859	17,997					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	10.63%	9.78%	9.95%	5.92%	8.49%					

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ROE Impact of Proposed RAM - #10 No RPC and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	29,509	27,359	26,075	22,771	27,995	(9,927)	(9,726)	(10,071)	(9,904)	(9,994)
Interest expense (pretax)	155	392	973	172	232					
AFUDC debt	406	900	2,094	355	565					
AFUDC equity	259	573	1,334	226	360					
AFUDC gross up	(381)	(381)	(381)	(381)	(381)					
Preferred stock dividends										
Net income	20,020	19,116	20,025	13,238	18,776					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	10.63%	9.97%	10.36%	6.61%	8.86%					

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ROE Impact of Proposed RAM - #11 No RPC and System Reliability, Customer Additions and Act 155 O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	30,578	30,151	33,162	34,446	28,741	(9,924)				
Interest expense (pretax)	(9,927)	(9,726)	(10,071)	(9,904)	(9,994)					
AFUDC debt	155	392	973	172	232					
AFUDC equity	406	900	2,094	355	565					
AFUDC gross up	259	573	1,334	226	360					
Preferred stock dividends	(381)	(381)	(381)	(381)	(381)					
Net income	21,089	21,908	27,112	24,915	19,522					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.20%	11.42%	14.03%	12.43%	9.21%					

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ROE Impact of Proposed RAM - #12 No RPC and System Reliability, Customer Additions and Joint Proposal O&M RAM

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating earnings	30,578	30,505	33,970	35,827	29,520	(9,927)	(9,726)	(10,071)	(9,904)	(9,994)
Interest expense (pretax)	155	392	973	172	232					
AFUDC debt	406	900	2,094	355	565					
AFUDC equity	259	573	1,334	226	360					
AFUDC gross up	(381)	(381)	(381)	(381)	(381)					
Preferred stock dividends										
Net income	21,089	22,262	27,920	26,294	20,301					
Net change in common equity during the year	2,219	4,777	(1,959)	16,290	6,861					
Common equity, beginning of period	187,195	189,413	194,190	192,231	208,521					
Common equity, end of period	189,413	194,190	192,231	208,521	215,382					
Average common equity	188,304	191,802	193,211	200,376	211,952					
ROACE per scenario	11.20%	11.61%	14.45%	13.12%	9.58%					